ontario place

2010 Annual Report

for the year ending December 31, 2010

An Agency of the Government of Ontario

2010 Annual Report – Table of Contents

Our Vision 2
Our Mission 2
Corporate Mandate 2
Core Principles 2
Board Members and Appointment Terms 3
Senior Management 3
Corporate Sponsors / Promotional Partners 4
Acknowledgements 5
Chair's Statement 6
2010 Objectives and Results 7
OPC Go Green Committee 9
Visitor Profile 10
Concessions 11
Business Partners 12
Background 13
Major Site Features 14
Responsibility for Financial Reporting 15
Auditor's Report 16
Financial Statements 17
Notes to Financial Statements 21

Ontario Place Corporation
955 Lake Shore Boulevard West
Toronto, ON Canada M6K 3B9
www.ontarioplace.com

An Agency of the Government of Ontario

2010 Annual Report

Our Vision

Ontario Place is a year-round waterfront
entertainment and recreational village
that reflects the culture and values of Ontario.

Our Mission

Our mission is to create compelling,
diverse and cultural experiences
in a unique setting.

Corporate Mandate

Ontario Place's mandate as outlined in the Ontario Place Corporation Act and included in the Memorandum of Understanding (MOU) with the Ministry of Tourism and Culture states:

The objects of the Corporation are,

a. to operate Ontario Place as a provincial exhibit and recreational centre;

b. to develop projects and programs designed to provide the people of Ontario with a greater appreciation of the Province and its accomplishments and potential, and to provide talented artists in the Province with the opportunity to exhibit their works and their abilities;

c. to develop special programs from time to time considered to be worthwhile to enhance the image of the Province and to co-ordinate activities with the Canadian National Exhibition at times when that exhibition is in operation; and

d. to do such other things as the Minister may require from time to time and to advise the Minister on projects and programs of general advantage to the Province.

Core Principles

Upholding public interest/trust in managing public funds and assets responsibly;

Fostering a culture of ethical behaviour, accountability, transparency and open communication;

Being diverse and inclusive;

Encouraging creativity, training and developing high performing individuals and teams;

Ensuring informed decision making;

Minimizing OPC/Shareholder risk.

ontario place

Board Members

Joe Halstead, Chair* (A)	June 1, 2005 to May 31, 2008 June 1, 2008 to May 31, 2011 *Acting Chair as of June 23, 2008
David Angus	May 6, 2002 to May 5, 2010 May 6, 2010 to May 5, 2013
Connie Dejak	June 15, 2010 to June 14, 2013
Linda Franklin	May 7, 2003 to May 6, 2006 October 5, 2006 to October 4, 2012
Basat Khalifa	March 24, 2010 to March 23, 2013
Penny Lipsett	June 22, 2005 to July 21, 2006 October 18, 2006 to October 17, 2012
David Israelson	June 6, 2007 to June 5, 2011
Wanda Richardson	July 9, 2008 to July 8, 2011
Joanne Rider	September 8, 2009 to September 7, 2012
Winston Young	December 2, 2009 to December 1, 2012

Senior Management

John Tracogna	General Manager (June 16, 2008 - April 5, 2010)
Tim Casey	General Manager (A) (March 22, 2010 - September 26, 2010)
John Tevlin	General Manager (September 1, 2010)
Jean Abou-Saab	Executive Assistant to the General Manager
Keith Brown	Director of Operations
Terry Caddo	Director of Marketing, Communications & Group Sales (January 1, 2010 - July 25, 2010)
Dave Bounsall	Director of Marketing, Sales and Communications (A) (September 27)
Jonathan Daley	Director of Corporate Affairs, Guest Services, Health & Safety Director of Resale (A)
Eriks Eglite	Director of Strategic Planning & Corporate Services
Marsha O'Connor	Director of Finance & Administration
Mary Strizzi	Director of Human Resources (A)
Joseph Tavares	Director of Maintenance & Construction

2010
Annual Report

Corporate Sponsors

Ontario Place gratefully acknowledges the support of our sponsors:

Coca-Cola Company
Homegrown Ontario
Mac's Convenience Stores Inc.
Mattel Canada Inc.
Mercury Marine Ltd.
Molson Canada
Natrel
Nestle Canada Inc.
Pizza Pizza Ltd.
Rogers Communications Inc.
Sony Playstation
Staedtler Canada
Tracker Marine Group

Promotional Partners

2001 Audio Video
680 News
98.1 CHFI
Air Miles
Attractions Ontario
Canwest Global
Canadian Family Magazine
CFTO/CTV
CityTV
City Parent
Coca-Cola Company
Corus Entertainment (radio)
Entercom Radio
Fairmont Royal York
Frito Lay
Lick's
Nestle Waters
McDonalds
Ministry of Tourism and Culture
Multicom Media
TicketOps
Today Daily News
Toronto FC
Toronto Star
Treehouse
Vinyl 95.3
World Journal
YTV

Other Partners

Ontario Ministry of Natural Resources - Kid's Fall Fishing Festival
Dave Mercer's Facts of Fishing - Kid's Fall Fishing Festival

Acknowledgements

Ontario Place Corporation wishes to acknowledge and express its appreciation to the following agencies and organizations for their co-operation and assistance in 2010:

Advertising Review Board

Attractions Ontario

Board of Governors of Exhibition Place

Canadian International Air Show

Canadian National Exhibition Association

City of Toronto

Ontario Tourism Marketing Partnership Corporation

Recycling Council of Ontario

Toronto Harbour Commission

Toronto Police Service

Toronto Port Authority

Toronto Region Conservation Authority

Toronto Transit Commission

Tourism Toronto

Transport Canada (Toronto Island Airport)

Waterfront Business Improvement Area

Waterfront Toronto

Chair's Statement

On behalf of the Ontario Place Board of Directors and the Management Team, we are pleased to present the operating results for the year ending December 31, 2010.

Ontario Place continued to respond to the 2009 Ontario Tourism Competitiveness Study report, *Discovering Ontario*, which called for a new vision and long-term redevelopment strategy to position Ontario Place as a key driver in building a stronger Ontario tourism industry. In setting the stage for Revitalization, Ontario Place issued a Request for Information (RFI) in July 2010. The purpose of this RFI was to gather ideas for a state-of-the-art, year-round attraction, one that would re-energize the waterfront and bring international acclaim to the province. Over 35 proposals for revitalization and redevelopment were submitted through this process.

The OPC Board and staff are committed to open and inclusive consultation with all Ontario Place stakeholders - first and foremost with the people of Ontario. That's why we invited all Ontarians to share their ideas for Ontario Place's future. Public consultation regarding Revitalization was an immense success, with over 1,200 suggestions for the future of Ontario Place submitted via the MyOntarioPlace.com website alone. This was an affirmation that the people of Ontario believe in Ontario Place and in its future as a premier destination.

In late 2010, Ontario Place embarked on the refurbishment of one of the park's most iconic and popular attractions, the Cinesphere. The goal was to ensure that a restored, state-of-the-art Cinesphere would be in place for the 2011 season, featuring a new IMAX® 3D projector, a new screen and sound system and a completely refurbished theatre interior. In November, OPC screened *North of Superior*, an immensely popular film that made its debut at the opening of the Cinesphere in 1971.

Other successful initiatives included securing the highly popular *4D Ontario* attraction for the summer season. Launched at Ontario House for the 2010 Olympic Winter Games in Vancouver, the attraction was created by the Toronto-based company SimEx-Iwerks. *4D Ontario* uses leading-edge, Ontario-developed film and in-theatre technologies to combine a 3D movie with exhilarating sensory effects to give viewers an immersive 4D virtual tour of Ontario. Over 58,000 viewers enjoyed an unforgettable Ontario experience - a breathtaking ride through all that the province has to offer, brought to full life with immersive special effects of wind, water, vibrations and scents.

In 2010, OPC launched the procurement process for a point-of-sale (POS) system for the 2011 season. The new system will address current and future financial management requirements, reduce manual processing, increase efficiency and accuracy, reduce fraud and increase customer satisfaction.

Ontario Place launched its social media presence in April 2010 on Facebook, Twitter and a YouTube channel. With these important communication tools, Ontario Place broadened its ability to communicate with guests and stakeholders in a more timely and progressive manner. By the end of the 2010 season, Ontario Place's Facebook and Twitter follower numbers were steadily on the rise, with close to 1,000 followers on Facebook alone.

It was also an exciting year for events and entertainment programming. Ontario Place entered into a partnership with the Earth Rangers Foundation, providing live programming entertainment focused on learning about exotic animals. Earth Rangers' Wild Experience show is a multi-media presentation featuring live animals that takes the audience on a trip around the world to meet and celebrate some of the planet's most amazing creatures. The show creates a powerful connection between the audience and the natural world, and inspires children and their families to make a difference for our planet.

Other new shows in 2010 included a Wakeboard and Waterski Show in the basin along the north shore of Ontario Place, with 36 shows involving top Ontario athletes.

We celebrated Cultural Heritage Days over the summer with de Caribana Lime, Punjabi Day, Muslim Heritage Days and the Portuguese Festival - all celebrating Ontario's wonderful cultural diversity. This was all in addition to the wide range of very popular annual entertainment at the Treehouse! Live Stage, Purina Pro Plan Dog Show and Heritage Square.

Ontario Place was also a key partner in the *Redpath Tall Ships Festival* as part of a new partnership with the Waterfront Business Improvement Area, and also served as the "Official" Parade of Sail destination.

A great source of pride for all of us in 2010 was the increase in overall guest satisfaction results, up 17% over 2009. Guests visiting the park in 2010 were also 35% more likely to recommend OPC to someone else.

Despite the positive feedback - and excellent summer weather - gate attendance fell to 327,774 visitors, a 27% decline versus 2009. The continued economic slowdown, transportation and access issues resulting from June's G-20 Summit and cuts to the advertising and operations budget were all factors that led to a decline in attendance. Despite the drop in gate numbers, $12.9 million in revenues was generated, for an after-grant net profit of $237,000.

On behalf of my colleagues on the Board of Directors, I would like to express our thanks to the employees of Ontario Place for their dedicated work in 2010, and to our business partners and guests for their ongoing support. I am pleased to submit for review the Ontario Place Annual Report for the year ending December 31, 2010.

Joe Halstead,
Chair (A), Ontario Place Corporation Board of Directors

2010 Annual Report

IMAX® is a registered trademark of IMAX Corporation.

2010 Objectives and Results

In 2010 Ontario Place focused resources on ensuring the long-term sustainability of the organization within a framework of Revitalization. Particular emphasis was placed on corporate and operational initiatives that did not diminish or have a significant long-term impact on development.

Objective 1: Manage and Strengthen Organizational Effectiveness

Results:

- In the first quarter of 2010, OPC began to implement elements of the new organizational structure recommended by a 2009 KPMG study.
- New staff positions were advertised and filled, including the position of General Manager, Executive Assistant to the General Manager and Director of Strategic Planning & Corporate Services.
- OPC staff continued to work with the Human Resources/Strategic Business Unit of the Ministry of Tourism and Culture on the implementation of the new approved organizational structure.

Objective 2: Ensure Effective Governance

Results:

- OPC Board of Directors worked with Management to ensure that the sub-committees established in 2009 continued to act as a resource for Management and the Board, allowing Management to make decisions and operate the park in an efficient and accountable manner.
- OPC Management conducted a skills assessment of the Board in order to identify areas in which future board recruitment should be targeted. This information was disseminated to the Ministry of Tourism and Culture to assist with new member selection.
- OPC Board of Directors membership was expanded to include two additional members, with unique experiences and skills identified from this assessment.

Objective 3: Expand Net New Revenues & Initiatives

Results:

- As a new initiative, OPC introduced a brand new waste diversion program, which successfully diverted 75 tonnes from landfill to recycling and/or compost, saving the Corporation nearly $85,000 in waste removal fees.
- de Caribana Lime Festival continued to be held at Ontario Place through the continued partnership with the Festival Management Committee.
- Marina revenue increased year over year by 1.3%.

2010 Objectives and Results (suite)

Objective 4: Capital Projects

Results:

- In 2010, Ontario Place embarked on two critical capital projects: a new upgraded point of sale system and the upgrading of the Cinesphere.
    - A new upgraded point of sale system was procured in 2010 to allow for credit card transactions with embedded micro-chip technology.
    - The Cinesphere began its transformation to a new IMAX 3D theatre and started on significant upgrades to its existing infrastructure such as new seating, screen and snack bar area.
- Ontario Place also successfully completed the replacement of PCB transformers throughout the site.
- Restoration of walks, bridges, trees, shrubs and the shoreline also continued throughout 2010. Projects to date that meet this green objective are Heritage Square re-development and Martin Goodman trail relocation and greening.

Objective 5: Strategic Planning/Revitalization Process

Results:

- In July 2010 Ontario Place issued a Request for Information in order to gather ideas to help formulate a vision and long-term strategy for redevelopment. Over 35 proposals were submitted through this process.
- The public consultation regarding Revitalization was immensely successful with over 1,200 suggestions on the future of Ontario Place were generated through the MyOntarioPlace.com website.

OPC Go Green Committee

Formed in 2007, the OPC Green Committee was launched in order to lead the organization into an era of greater environmental responsibility. The Committee is comprised of volunteers from various OPC departments.

The Waste Diversion Program

- In 2009, OPC joined the Recycling Council of Ontario and conducted a waste audit and discovered that over 80% of its waste could be repurposed.
- In March 2010, OPC launched its Waste Diversion program which included an in-house composting facility for all organics.
- By December 2010, OPC had diverted over 75 tonnes of waste from landfills.
- The program saved nearly $85,000 in waste removal fees and earned $8,000 from the resale of recyclables.
- As a result of the success at OPC, The Recycling Council of Ontario featured OPC's Green program in one of their promotional videos.
- OPC representatives from the Green Committee have also attended various seminars organized by the OPS Green Office and were filmed for a video they produced showcasing examples on going green within government agencies.

Other Key Initiatives

- OPC has begun the process of converting its gardens to native perennials, working in close partnership with the Toronto and Region Conservation Authority. These gardens will not only reduce the cost of labour and materials for planting annuals year after year, but will build OPC's bio-diversity profile by attracting wildlife like songbirds, butterflies and beneficial insects.
- OPC installed over 800 native water plants to extend our fish habitat and improve the aeration and esthetic of our waterways.
- OPC also completed an energy audit by a third party consultant on the entire site in order to reduce and improve site energy consumption. Recommendations from the report will continue to be implemented over time.
- A chemical audit was also held over 2010 in which eco-friendly alternatives were identified for various chemical products used on-site. Recommendations from the report will continue to be implemented over time.

Visitor Profile

In order to maintain consistently high levels of guest satisfaction, Ontario Place makes extensive use of surveys and other feedback mechanisms to monitor guest satisfaction and brand perceptions. The results are used to adjust park operations on an on-going basis and are considered in the annual planning of programs and services that best enable Ontario Place to meet the expectations of our guests.

Ontario Place conducts daily on-site exit interviews of its guests. In keeping with research industry standards, Ontario Place now measures guest ratings using a score of 9 or 10 on a 10-point scale, where 1 is poor and 10 is excellent. Prior to 2010, Ontario Place had used more lenient ratings of 7, 8, 9 or 10, which overstated guest satisfaction.

Survey results for Ontario Place in 2010 indicate a generally positive visitor response to the quality and range of the park's features and services over the previous year.

Demographics	**2008**	**2009**	**2010**
Duration of the average visit	4.1 hours	4.97 hours	5.1 hours
Average group size (persons)	6.0	5.9	5.1
Guests residing within the GTA	68%	54%	64%
Guests residing within Ontario (outside the GTA)	28%	44%	31%
Guests residing in the rest of Canada	1%	1%	2%
Guests residing in the U.S	1%	1%	2%
Guests coming from another country	2%	0%	1%
Total	100%	100%	100%

Guest Satisfaction (Rating a 9 or 10 on a 10-point scale, which 1 being "poor" and 10 being excellent)			
Guests rating "value for money"	31%	26%	41%
Guests satisfaction	43%	36%	41%
Guests recommending Ontario Place	60%	36%	49%

Source: 2008/09/10 Ontario Place Exit Surveys

Concessions

Ontario Place partners with local and national companies to operate various food, retail and service concessions throughout the park.

Services

National Helicopters Inc.
Offers an exhilarating 10-minute helicopter ride above downtown Toronto and around the CN Tower

K B Enterprises Vending
Provides fulfillment and service to the beverage and snack vending machines throughout the park

Scooter Bug Stroller Rental
Stroller rentals are operated by Ontario Place Resale staff at the gift shop. Stroller equipment, on-site repair and maintenance support are provided by Scooter Bug Inc.

Photo Guys Imaging
Provides all equipment and support for photo locations operated by Ontario Place staff

New Way Sales
Provides arcade equipment, maintenance and repairs

Licensed, Full Service Dining, Snacks and Refreshments

DB Canadian Franchising ULC – "Baskin Robbins"
Two locations

Beavertails Inc.
One location

Marina Grille Inc.
Operates a full service sit-down restaurant and a beer/wine patio at Centre Entrance Marina Grille Inc. is also the caterer of record for Group Sales, South Beach, and the Corporate Lakeside Tents

Seabreeze Foods – "Off the Grill"
Two locations

Pizza Pizza Limited – "Pizza Pizza"
Three locations

Pizza Pizza Limited – "Chicken Chicken"
One location

Booster Juice Inc.
One location

Vital Link Ice Cream & Event Marketing Inc.
A selection of quick service snack items from a number of mobile carts throughout the park

Concessions (Continued)

Business Partners – Long Term Agreements

Atlantis
A full-service, year round banquet and corporate events facility that overlooks the Toronto skyline and Lake Ontario. With a capacity of 1,900, Atlantis hosts corporate events and private functions.

Molson Canadian Amphitheatre (Live Nation Canada Inc.)
With a capacity of over 16,000, the Molson Canadian Amphitheatre is a unique concert venue that presents domestic and international entertainment. Attendance for the 2010 concert season was 376,909 (excluding Heritage Days) up 20% from 2009.

Background

Organization

Inaugurated as a Crown Corporation of the Government of Ontario in May 1971, Ontario Place is administered by a Board of Directors reporting to the Minister of Tourism. Officers of the Corporation are the Chair and Vice-Chair of the Board, the General Manager, and the Secretary/Treasurer.

Personnel

For the year ending December 31, 2010, staff levels during the peak operating season numbered:

- 52 full-time permanent staff.
- 18 fixed-term regular contract employees.
- Approximately 488 students, recruited from Ontario secondary schools, colleges and universities.
- Approximately 400 on-site concessions' employees.

Major Site Features

The 38-hectare (96-acre) parkland complex was created from landfill in 1971 and extends through three islands. The major features include:

East Island

- The Molson Amphitheatre (9,000 seats and 7,000 general admission lawn seating)
- Children's Festival Stage (400 seats)
- Heritage Square
- Soak City Water Park
- Mini Bumper Boats
- Mini-Greens
- Power Wheels Track
- First Flight
- Freefall
- Cyclone Speedway
- Super Slide
- Conservation area
- 4 gift shops
- Public parking (capacity of 344 cars and buses)
- 4D Ontario

Pods

- Cinesphere (a 752-seat IMAX theatre)
- Atlantis entertainment complex and 1,200 square metres of space for themed exhibits

West Island

- Wilderness Adventure Ride
- Wild World of Weather
- Eco Zone (30 seat) motion simulator ride
- The Go Zone
- OP Driving School
- Cool Hoops
- Bumper Boats
- Japanese Temple Bell
- Pedal Boats
- 1 sit-down restaurant
- 1 gift shop
- National Helicopters (helicopter rides)
- 213-slip marina

Mainland

- Public parking (capacity of 1,565 cars)
- 37-slip marina

Responsibility for Financial Reporting

The management of Ontario Place Corporation is responsible for the integrity and fair presentation of the financial statements accompanying this report. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and of necessity include some amounts that are based on estimates and judgments.

Ontario Place maintains systems of internal accounting controls designed to provide reasonable assurance that the financial information is accurate and reliable, the company assets and liabilities are adequately accounted for and assets are safeguarded. The systems include policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibility.

The financial statements have been reviewed by Ontario Place's Audit Committee and have been approved by its Board of Directors. In addition, the financial statements have been audited by the Office of the Auditor General of Ontario, whose responsibility it is to express an opinion on whether they have been prepared in accordance with generally accepted accounting principles. The Independent Auditor's Report that appears as part of the financial statements outlines the scope of the Auditor's examination and opinion.

On behalf of Management:

John Tevlin
General Manager

Marsha O'Connor, CMA
Director of Finance & Administration

Independent Auditor's Report

To Ontario Place Corporation
and to the Minister of Tourism and Culture

I have audited the accompanying financial statements of the Ontario Place Corporation, which comprise the balance sheet as at December 31, 2010, and the statements of operations, Statement of Changes in Net Assets and cash flows and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ontario Place Corporation as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
August 8, 2011

Gary R. Peall, CA
Deputy Auditor General
Licensed Public Accountant

Ontario Place Corporation

Balance Sheet

As at December 31, 2010

	2010 ($ 000)	2009 ($ 000) (Restated)
ASSETS		
Current		
Cash - unrestricted	4,782	4,079
Cash - restricted [Note 4]	6,132	4,869
Accounts receivable [Note 3]	6,642	4,761
Inventory	215	232
Prepaid expenses and deferred charges	334	76
	18,105	14,017
Capital Assets [Note 5]	114,228	115,603
Capital Assets Under Lease Obligation [Note 6]	251	282
	114,479	115,885
	132,584	129,902
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payables and accrued liabilities [Note 11B]	1,822	1,159
Current portion of obligations under capital lease [Note 7]	45	43
Due to the Province of Ontario	246	198
Deferred revenue	66	124
	2,179	1,524
Long Term Liabilities		
Accrued employee severance liability [Note 11B]	717	676
Obligations under capital lease [Note 7]	219	264
	936	940
Deferred Capital Contributions [Note 8]	15,872	17,223
Unspent Deferred Capital Contributions [Note 4 & 8]	5,014	1,869
	20,886	19,092
Net Assets		
Invested in capital assets [Note 9]	98,356	98,380
Unrestricted [Note 3]	10,227	9,966
	108,583	108,346
	132,584	129,902

See accompanying scheduled and notes to financial statements

Approved on behalf of the Corporation:

Director

Director

Ontario Place Corporation
Statement of Operations
For the Year Ended December 31, 2010

	2010 ($ 000)	2009 ($ 000)
Operating revenue [Schedule 1]	12,925	13,855
Administrative and operating expenses [Schedule 2]	(17,666)	(18,957)
Operating deficit before the following	(4,741)	(5,102)
Province of Ontario operating grants	5,033	5,121
Amortization of deferred capital contributions	2,406	1,873
Amortization of capital assets	(2,430)	(1,897)
Amortization of capital assets under lease	(31)	(31)
	4,978	5,066
Province of Ontario property tax grant	–	3,000
Recovery of prior years' property taxes [Note 12]	–	10,293
	–	13,293
Excess of revenue over expenses for the year	237	13,257

Ontario Place Corporation
Statement of Changes in Net Assets
For the Year Ended December 31, 2010

	2010 ($ 000)			
	Invested in Capital Assets	Unrestricted	Total	2009 ($ 000)
Net assets, beginning of year as previously reported	98,380	7,466	105,846	92,589
Change in accounting policy [Note 3]	–	2,500	2,500	2,500
Net assets, beginning of year as restated	98,380	9,966	108,346	95,089
Excess (deficiency) of revenues over expenses	(24)	261	237	13,257
Net assets, end of year	98,356	10,227	108,583	108,346

See accompanying scheduled and notes to financial statements

Ontario Place Corporation

Statement of Cash Flows

For the Year Ended December 31, 2010

	2010 ($ 000)	2009 ($ 000)
Operating Activities		
Excess of revenues over expenses	237	13,257
Adjustments for items not requiring an outlay of cash		
Amortization of capital assets	2,430	1,897
Amortization of leased capital asset	31	31
Amortization of deferred capital contributions	(2,406)	(1,873)
Net change in non-cash working capital	533	(9,064)
Accrued employee severance liability	41	107
Cash generated from operating activities	866	4,355
Investing Activities		
Capital asset acquisitions - net	(1,055)	(2,914)
Cash used in investing activities	(1,055)	(2,914)
Financing Activities		
Capital grants received	2,200	2,845
Obligation under capital lease principal paid	(45)	(49)
Cash generated from financing activities	2,155	2,796
Increase in cash during the year	1,966	4,237
Cash, beginning of year	8,948	4,711
Cash, end of year	10,914	8,948
Cash - unrestricted	4,782	4,079
Cash - restricted	6,132	4,869
	10,914	8,948

See accompanying scheduled and notes to financial statements

Ontario Place Corporation

Schedules of Operating Revenue and Administrative and Operating Expenses

For the Year Ended December 31, 2010

	2010 ($ 000)	2009 ($ 000)
Schedule 1		
Operating Revenue		
Admissions	4,854	5,858
Parking	1,997	1,893
Sponsorship revenue [Note 13]	1,586	1,725
Amphitheatre	1,491	1,289
Retail sales and catering	1,225	1,187
Marina	874	863
Concessions and facility rental	553	689
Other revenue	164	151
Cinesphere revenues	118	171
Interest income	63	29
	12,925	13,855
Schedule 2		
Administrative and Operating Expenses		
Salaries and wages	7,664	7,359
Employee benefits [Note 11]	1,289	1,299
Advertising [Note 13]	1,956	2,821
General and administration	1,822	1,959
Programming and entertainment	947	1,377
Utilities	864	882
Cost of retail sales and catering	818	587
Site maintenance	676	914
Janitorial	632	622
Supplies	550	667
Transportation and communications	239	257
Other	209	213
	17,666	18,957

See accompanying scheduled and notes to financial statements

1. Nature of Operations

The Ontario Place Corporation, (the "Corporation" or "Ontario Place") is a provincial Crown agency, incorporated under the *Ontario Place Corporation Act* R.S.O. 1990. The Corporation is exempted from federal and provincial income taxes.

The Corporation operates a park built on a 96-acre site extending through three islands created using landfill along the Toronto waterfront. The park includes a wide variety of programs, attractions and facilities which capture the spirit of Ontario by featuring distinctive and quality attractions for all ages. The site is intended to provide visitors with an appreciation of the Province's resources and accomplishments.

The fees charged for admission and the various attractions within the park are subject to approval by the Ministry of Tourism and Culture. The Corporation receives grants from the Province to partially cover the costs of activities, programs and rejuvenation of the park.

In addition to the various attractions and activities operated directly by Ontario Place, the Corporation enters into a number of licence, ground lease and special event agreements with various private-sector companies.

2. Significant Accounting Policies

(A) BASIS OF ACCOUNTING

The financial statements are the representations of management prepared in accordance with Canadian generally accepted accounting principles.

(B) REVENUE RECOGNITION

Grants are recognized on an accrual basis.

Revenue from admission tickets, parking, retail sales and catering, marina dockage, sponsorship, and the cinesphere are recognized when the goods or services are provided.

Revenue from interest, concessions, and amphitheatre are recognized when they are earned.

(C) INVENTORY

Supplies inventory is valued at cost.

(D) CAPITAL ASSETS

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over the estimated useful lives of the assets as indicated below:

Buildings	25 years
Attractions	10 years
Equipment, fixtures	10 years
Computer equipment	4 years

2. Significant Accounting Policies (Continued)

(E) USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amount of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenditures for the period. Actual amounts could differ from these estimates.

(F) FAIR VALUE OF FINANCIAL INSTRUMENTS

Ontario Place follows the Canadian Institute of Chartered Accountants (CICA) accounting standards pertaining to financial instruments. These standards establish guidance for the recognition and measurement of financial assets and liabilities and how financial instrument gains and losses should be accounted for. Under these standards, all financial instruments are classified into one of the following five categories: held-for-trading, held to maturity, loans and receivables, available for sale financial assets, or other financial liabilities.

Under these standards, all financial instruments are required to be measured at fair value upon initial recognition except for certain related party transactions. After initial recognition, financial instruments should be measured at their fair values, except for financial assets classified as held to maturity or loans and receivables and other financial liabilities, which are measured at cost or amortized cost.

The Corporation's financial assets and liabilities are accounted for as follows:

- Cash is recorded at face value.
- Accounts receivable are classified as loans and receivables and are valued at face value which approximates fair value given their short term maturities.
- Accounts payable and Due to the Province are classified as other financial liabilities and are recorded at face value which approximates fair value given their short term maturities.

It is management's opinion that Ontario Place is not exposed to significant interest rate, currency or liquidity risk arising from its financial instruments due to their nature. Ontario Place is exposed to credit risk by its customers. As a result, it determines on a continual basis, the probable credit losses and sets up a provision for losses based on the estimated realizable value.

(G) NON-MONETARY TRANSACTIONS

In the course of business the Corporation enters into non-monetary transactions under which goods and services are acquired in exchange for advertising services. Non-monetary transactions are measured based on fair market value when there is evidence to support the fair value. When the transaction lacks commercial substance, the contract or carrying value is used. The Corporation had non-monetary transactions during the year ended December 31, 2010. These transactions were material in nature and are disclosed in Note 12.

3. Change in Accounting Policy

During 2010, the Corporation changed its policy for recognizing Grant revenue. Previously the Corporation recorded grant revenue in the year it was received. Grant revenue is now recognized on an accrual basis to better reflect the substance of the transactions. The change has been applied retroactively and has increased Accounts receivable at the end of 2009 as previously reported by $2,500,000 (2008 - $2,500,000) representing an increase in "Invested in capital assets" under Changes in Net Assets of the same amount.

4. Cash – Restricted

Cash grants totalling $6,131,600 are held by Ontario Place which are externally restricted as follows:

	2010 ($ 000)	2009 ($ 000)
Property tax grant	3,118	3,000
Unspent deferred capital grant	3,014	1,869
	6,132	4,869

The property tax grant provided by the Ministry of Tourism and Culture requires that the funds be used for Property Taxes for property occupied by the Corporation and are subject to recovery by the Ministry if not used for the intended purposes.

Unspent deferred capital contributions are described in Note 8.

5. Capital Assets

Capital assets consist of the following:

	2010 ($ 000)			2009 ($ 000)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land, waterlots	101,660	–	101,660	101,660
Buildings	12,795	5,130	7,665	7,491
Attractions	9,649	5,980	3,669	5,055
Equipment, fixtures	2,667	1,455	1,212	1,372
Computer equipment	71	49	22	25
	126,842	12,614	114,228	115,603

6. Capital Assets Under Lease Obligation

	Dec 31 2010 ($ 000)	Dec 31 2009 ($ 000)
Equipment (cost)	313	313
Accumulated amortization	(62)	(31)
	251	282

The equipment under the capital lease is amortized on a straight-line basis over its economic life of 10 years. The amount of amortization charged to expense in 2010 is $31,343 ($31,343 for 2009).

7. Capital Lease Obligation

The following is a schedule of future minimum lease payments which expire October 31, 2015 together with the balance of the obligation.

Year ending December 31	Dec 31 2010 ($ 000)	Dec 31 2009 ($ 000)
2011	57	57
2012	57	57
2013	57	57
Up to 2015	130	187
Total minimum lease payments	301	358
Amount representing interest at 5%	(37)	(51)
Balance of the obligation	264	307
Less: current portion	(45)	(43)
	219	264

8. Deferred Capital Contributions

Purchased assets have been capitalized and the corresponding capital grants have been deferred together with unspent capital grants. Spent capital grants are amortized into income on the same basis that the underlying assets are amortized. The changes in the total deferred capital contributions balance are as follows:

	2010 ($ 000)	2009 ($ 000)
Balance, beginning of year	19,092	18,120
Amount amortized to revenue	(2,406)	(1,873)
Capital grants recognized	4,200	2,845
Balance, end of year	20,886	19,092

Included in the above are unspent deferred capital contributions in the amount of $5,014,000, of which $2,000,000 (2009 - $ nil) is included in accounts receivable with the remaining amount included in restricted cash as described in note 4. Refer to note 10 regarding funds that have already committed to date.

9. Invested in Capital Assets

The invested in capital asset balance represents the net amount of the Corporation's investment in capital assets less the deferred capital contribution balance at year end.

10. Commitments

In addition to the capital lease obligations discussed in Note 6, the following is a schedule of future payments for the purchase of capital equipment and related support under contracts effective during fiscal 2010:

Year ending December 31	2010 ($ 000)
2011	934
2012	–
2013	–
2014	41
2015 and thereafter	41
Total purchase commitments	1,016

11. Employee Benefits

(A) PENSION BENEFITS

The Corporation provides pension benefits for all its permanent employees (and to non-permanent employees who elect to participate) through the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) which are both multiemployer plans established by the Province of Ontario. The Province of Ontario, which is the sole sponsor of the PSPF and a joint sponsor of the OPSEU-PF, determines the Corporation's annual payments to the funds. Accordingly, the pension expense is the Corporation's share of the required contribution to the PSPF and OPSEU pension funds for the year, which was $341,852 (2009 - $278,728), and is included in employee benefits in the Schedule of Administrative and Operating Expenses.

(B) NON-PENSION BENEFITS

The cost of unused vacation and earned legislated severance entitlements are accrued for in the financial statements. Amounts due within one year are included in accounts payable and accrued liabilities.

The cost of other post-employment non-pension employee benefits are paid by the Ministry of Government Services and are not included in the statement of operations.

12. Property Tax Accrual and Recovery

Ontario Place and the City of Toronto were in dispute regarding the amount of property taxes Ontario Place was assessed to pay from 1998-2008. In late 2009, the Corporation received confirmation of a settlement of the assessment appeals it filed with the City of Toronto resulting in a recovery of a significant portion of property taxes previously accrued. During 2009, Ontario Place paid all property taxes due up to the end of 2009 based on the settlement.

Ontario Place received and paid its 2010 interim tax bill. However, the 2010 final tax bill was higher than what was expected, as the City used tax rates that were inconsistent with the 2009 settlement. As a result, Ontario Place filed an appeal for its 2010 tax bill.

Ontario place has withheld payment of the final tax bill. Property taxes billed, paid and recorded for 2010 are as follows:

2010 Total Property Tax Bill Received	1,869,000
2010 Total Taxes Recorded and Paid	1,417,000

13. Non-monetary Transactions

Ontario Place entered into a number of non-monetary transactions, which saw Ontario Place exchange advertising space for a variety of goods and/or services. Most significant are:

	Nature of Goods Exchanged	Basis of Measurement
Rogers Communications Inc.	Wireless services; Wireless products	Contract value
Kidomo Inc.	Live Kids Entertainment	Contract value
Toronto Star	Advertising	Contract value
680 News	Advertising	Contract value

Approximately $1,112,000 has been recognized as both sponsorship revenue and advertising expense as a result of these exchanges. Similar exchanges made in 2009 were valued at $1,125,000. There were no gains or losses associated with the above transactions.

14. Subsequent Event

To celebrate its 40th anniversary, Ontario Place will offer free admission to the grounds for the 2011 season, with tickets for rides and attractions sold separately. Due to the potential increase in sales of other ticket types, the net effect on revenue from the free grounds admission cannot be reasonably determined for 2011. Revenue from grounds admission in 2010 was $879,000; including $569,000 from its annual admission share agreement with the CNE.

As a result of the Corporation's decision to offer free admission in 2011, this agreement was not renewed for 2011.

15. Comparative Figures

Prior year's figures have been reclassified where necessary to conform to the current year's presentation.

16. Future Accounting Changes

The Public Sector Accounting Board ("PSAB") has issued new accounting standards for government organizations. The Corporation has determined it will be classified as a Government NPO ("GNPO") as it meets all the related criteria. PSAB allows GNPOs to choose between the Public Sector Accounting ("PSA") Handbook or the PSA Handbook supplemented by the inclusion of the not-for-profit standards from the Canadian Institute of Chartered Accountants ("CICA") Handbook, known as the 4200 series. These standards will be effective for fiscal years commencing on or after January 1, 2012. The Corporation plans to select PSA standards plus the 4200 series of the PSA Handbook and will first report under these standards in its financial statements for the year ending December 31, 2012. The Corporation is currently in the process of evaluating the potential impact of adopting these new standards.